

RECORDATION NO. 23245-E FILED

DEC 12 '03 10-36 AM

SURFACE TRANSPORTATION BOARD

ALVORD AND ALVORD
ATTORNEYS AT LAW
1050 SEVENTEENTH STREET, N.W.
SUITE 301
WASHINGTON, D.C.
20036
(202) 393-2266
FAX (202) 393-2156
E-MAIL alvordlaw@aol.com

ELIAS G. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

December 10, 2003

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Lease and Assignment of Sublease, dated as of December 12, 2003, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Lease which was previously filed with the Board under Recordation Number 23245-C.

The names and addresses of the parties to the enclosed document are:

Lessor: Babcock & Brown Rail Funding LLC
230 Park Avenue
New York, NY 10169

Lessee: The C.I.T. Group/Equipment Finance, Inc.
1211 Avenue of the Americas
New York, NY 10036

Mr. Vernon A. Williams
December 10, 2003
Page Two

A description of the railroad equipment covered by the enclosed document
is:

120 railcars CEFX 63944 – CEFX 64063

A short summary of the document to appear in the index is:

Memorandum of Lease and Assignment of Sublease

Also enclosed is a check in the amount of \$30.00 payable to the order of
the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the
undersigned.

Very truly yours,



Robert W. Alvord

RWA/anr
Enclosures

RECORDATION NO. 23245-E FILED

DEC 12 '03 10-36 AM

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LEASE AND ASSIGNMENT OF SUBLEASE

THIS MEMORANDUM OF LEASE AND ASSIGNMENT OF SUBLEASE, dated as of this 14th day of December, 2003, is made by Babcock & Brown Rail Funding LLC, a Delaware limited liability company ("Lessor") and THE CIT GROUP/EQUIPMENT FINANCING, INC., a New York corporation ("Lessee" and, together with the Lessor, the "Parties").

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, the Lessor and the Lessee have entered into that certain Railcar Lease and Schedule No. 01 thereto dated as of December 12, 2003 (the "Lease") covering the equipment listed on Schedule A hereto (the "Equipment");

WHEREAS, the Lessor and the Lessee have entered into that certain Sublease Assignment Agreement dated as of December 12, 2003 (the "Sublease Assignment") in respect of the Master Railcar Lease dated as of November 8, 2000 (to the extent it relates to the Equipment) and Schedule No. 06 dated as of May 6, 2003 between the Lessee, as lessor, and the Tennessee Valley Authority, as lessee;


WHEREAS, the Parties wish to show for the public record the existence of the aforesaid Lease and the aforesaid Sublease Assignment, and the respective interests therein of the Parties, including, but not limited to, the leasehold interest of the Lessee in the Equipment, and accordingly the Parties have caused this memorandum to be executed by their respective duly authorized officers, as of the date first above written.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, by this instrument the Lessor hereby leases and confirms the lease of the Equipment to the Lessee in accordance with the terms and conditions of the Lease, and the Lessee confirms and accepts such terms and conditions, which are incorporated by reference as if fully set forth herein.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this instrument has been duly executed by the Parties
hereto as of the date first above written.

BABCOCK & BROWN RAIL FUNDING LLC,
as Lessor

By: 
Name: Lawrence E. Littlefield
Title: Vice President

THE CIT GROUP/EQUIPMENT
FINANCING, INC., as Lessee

By: _____
Name:
Title:

MEMO OF LEASE

IN WITNESS WHEREOF, this instrument has been duly executed by the Parties
hereto as of the date first above written.

BABCOCK & BROWN RAIL FUNDING LLC,
as Lessor

By: _____
Name:
Title:

THE CIT GROUP/EQUIPMENT
FINANCING, INC., as Lessee

By: Nancy A. Nardella
Name: Nancy A. Nardella
Title: Vice President

MEMO OF LEASE

State of _____) New York
County of _____) New York

On this, the 11 day of December, 2003, before me, a Notary Public in and for said County and State, personally appeared Nancy A. Nardella, a Vice President of The CIT Group/Equipment Leasing, Inc., who acknowledged himself/herself to be a duly authorized officer of The CIT Group/Equipment Leasing, Inc., and that, as such officer, being authorized to do so, he/she executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.



Name: Rose Mary Dinnschmidt
Notary Public

My Commission Expires: March 29, 2006

Residing in: New York City, NY

ROSE MARY DINNSCHMIDT
Notary Public, State of New York
No. 31-3010315
Qualified in New York County
Commission Expires March 29, 2006

MEMO OF LEASE

State of New York)
)
County of New York)

On this, the 11 day of December, 2003, before me, a Notary Public in and for said County and State, personally appeared Lawrence E. Littlefield of Babcock & Brown Rail Funding LLC, who acknowledged himself to be a duly authorized officer of Babcock & Brown Rail Funding LLC, and that, as such officer, being authorized to do so, he executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name: Jennifer Moreno
Notary Public

My Commission Expires: 01/24/06

Residing in: _____

Jennifer Moreno
Notary Public, State of New York
No. 01M06056946
Qualified in Queens County
Commission Expires January 24, 2006

MEMO OF LEASE

SCHEDULE A

Number of Cars			Equipment Description							
120			4,390 C.F. aluminum bottom discharge coal hopper							
1	CEFX	63944		41	CEFX	63984		81	CEFX	64024
2	CEFX	63945		42	CEFX	63985		82	CEFX	64025
3	CEFX	63946		43	CEFX	63986		83	CEFX	64026
4	CEFX	63947		44	CEFX	63987		84	CEFX	64027
5	CEFX	63948		45	CEFX	63988		85	CEFX	64028
6	CEFX	63949		46	CEFX	63989		86	CEFX	64029
7	CEFX	63950		47	CEFX	63990		87	CEFX	64030
8	CEFX	63951		48	CEFX	63991		88	CEFX	64031
9	CEFX	63952		49	CEFX	63992		89	CEFX	64032
10	CEFX	63953		50	CEFX	63993		90	CEFX	64033
11	CEFX	63954		51	CEFX	63994		91	CEFX	64034
12	CEFX	63955		52	CEFX	63995		92	CEFX	64035
13	CEFX	63956		53	CEFX	63996		93	CEFX	64036
14	CEFX	63957		54	CEFX	63997		94	CEFX	64037
15	CEFX	63958		55	CEFX	63998		95	CEFX	64038
16	CEFX	63959		56	CEFX	63999		96	CEFX	64039
17	CEFX	63960		57	CEFX	64000		97	CEFX	64040
18	CEFX	63961		58	CEFX	64001		98	CEFX	64041
19	CEFX	63962		59	CEFX	64002		99	CEFX	64042
20	CEFX	63963		60	CEFX	64003		100	CEFX	64043
21	CEFX	63964		61	CEFX	64004		101	CEFX	64044
22	CEFX	63965		62	CEFX	64005		102	CEFX	64045
23	CEFX	63966		63	CEFX	64006		103	CEFX	64046
24	CEFX	63967		64	CEFX	64007		104	CEFX	64047
25	CEFX	63968		65	CEFX	64008		105	CEFX	64048
26	CEFX	63969		66	CEFX	64009		106	CEFX	64049
27	CEFX	63970		67	CEFX	64010		107	CEFX	64050
28	CEFX	63971		68	CEFX	64011		108	CEFX	64051
29	CEFX	63972		89	CEFX	64012		109	CEFX	64052
30	CEFX	63973		70	CEFX	64013		110	CEFX	64053
31	CEFX	63974		71	CEFX	64014		111	CEFX	64054
32	CEFX	63975		72	CEFX	64015		112	CEFX	64055
33	CEFX	63976		73	CEFX	64016		113	CEFX	64056
34	CEFX	63977		74	CEFX	64017		114	CEFX	64057
35	CEFX	63978		75	CEFX	64018		115	CEFX	64058
36	CEFX	63979		76	CEFX	64019		116	CEFX	84059
37	CEFX	63980		77	CEFX	64020		117	CEFX	64060
38	CEFX	63981		78	CEFX	64021		118	CEFX	64061
39	CEFX	63982		79	CEFX	64022		119	CEFX	64062
40	CEFX	63983		80	CEFX	64023		120	CEFX	64063

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: _____

12/11/03



Robert W. Alvord